

**SEVENTEENTH JUDICIAL
DISTRICT COURT
LAFOURCHE PARISH
THIBODAUX, LOUISIANA**

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2013

SEVENTEENTH JUDICIAL DISTRICT COURT ANNUAL FINANCIAL REPORT

December 31, 2013

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SEVENTEENTH JUDICIAL DISTRICT COURT
Lafourche Parish
Thibodaux, Louisiana

As of and for the Year Ended December 31, 2013

JUDGES

Division A

Honorable John E. Leblanc

Division B

Honorable Jerome J. Barbera III

Division C

Honorable A. Bruce Simpson

Division D

Honorable F. Hugh Larose

Division E

Honorable Walter I. Lanier III

SEVENTEENTH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013

This discussion and analysis of the Seventeenth Judicial District Court's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2013. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information as a whole and about activities in a way that helps answer the question of "how well is the District Court" operating. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. The governmental activity of the District is general government which is comprised of various programs that include operations of the District Court, Drug Treatment Court and Families in Need of Services – Juvenile Court.

SEVENTEENTH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws. The Seventeenth Judicial District Court uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

The District Court maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Drug Treatment Court Fund and Families in Need of Services – Juvenile Court Program Fund (FINS). The District Court adopts an annual appropriated budget for all three funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations assets exceeded liabilities by \$674,223 (net position).
- Total net position is comprised of the following:
 - (1) Net Invested in capital assets of \$261,668 including the cost of office equipment and furniture, net of accumulated depreciation.
 - (2) Restricted net assets for the Drug Treatment Court and FINS grant programs of \$184,628.

SEVENTEENTH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013

- (3) Unrestricted net assets of \$227,927 representing the portion available to maintain the continuing obligations to citizens and creditors.
- Total spending for all judicial activities was \$3,099,865 for the year, which was \$211,052 more than the program revenues (\$2,888,813) for these activities.
- The governmental funds reported total ending fund balance of \$496,130, of which \$219,700 was considered assigned for subsequent year's expenditures, \$5,261 was assigned for Families in Need of Services – Juvenile Court, \$184,628 was committed for Drug Court, and the remaining \$86,541 unassigned. This compares to the prior year ending fund balance – of \$644,273, showing a decrease of \$148,143 during the current year which was due to operations.

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

The Statement of Net Position and the Statement of Activities reports governmental activities. All judicial services are reported as this type. Operating grants and contributions and criminal and civil fees charged finance most of these activities.

Our analysis below focuses on the net assets of the governmental-type activities:

Condensed Statement of Net Position

	2013	2012	Dollar Change	Total Percent Change
Current and Other Assets	\$ 590,956	\$ 846,267	\$ (255,311)	-30.2%
Capital Assets	261,668	296,143	(34,475)	-11.6%
Total Assets	852,624	1,142,410	(289,786)	-25.4%
Current Liabilities	85,757	193,778	(108,021)	-55.7%
Long term liabilities	92,644	63,566	29,078	
Total Liabilities	178,401	257,344	(108,021)	-42.0%
Net Invested in Capital Assets	261,668	296,143	(34,475)	-11.6%
Restricted	184,628	161,289	23,339	14.5%
Unrestricted	227,927	368,459	(140,532)	-38.1%
Total Net Position	\$ 674,223	\$ 825,891	\$ (151,668)	-18.4%

Net Position decreased by \$151,668 as a result of this year's operations, which indicates that the overall financial position declined during the year. Unrestricted net position—the part of net position that can be used to finance day-to-day operations without constraints

SEVENTEENTH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013

established by debt covenants, enabling legislation, or other legal requirements—decreased this year by \$140,532. The net position invested in capital assets decreased by \$34,475 and the restricted net position increased by \$23,339. The balance in net position represents the accumulated results of all past years' operations.

Condensed Statement of Activities

	2013	2012	Dollar Change	Total Percent Change
Charges for Services	\$ 236,820	\$ 250,271	(13,451)	-5.4%
Operating Grants and Contributions	2,651,993	2,720,256	(68,263)	-2.5%
Program Expenses:				
Current	3,099,865	3,019,813	80,052	2.7%
Total program expenses	<u>3,099,865</u>	<u>3,019,813</u>	<u>80,052</u>	<u>2.7%</u>
Net program income	(211,052)	(49,286)	161,766	328.2%
 General revenues	 210	 1,982	 (1,772)	 -89.4%
Change in Net Assets	<u>(210,842)</u>	<u>(47,304)</u>	<u>(163,538)</u>	<u>238.8%</u>
 Net Assets:				
Beginning of the year, restated	885,065	932,369	(47,304)	-5.1%
End of the year	<u>\$ 674,223</u>	<u>\$ 885,065</u>	<u>\$(210,842)</u>	<u>-23.8%</u>

Total revenues for the year in governmental activities were \$2,889,023 (\$2,888,813 in program revenues and \$210 in general revenues). The total cost of all judicial programs and services was \$3,099,865 with no new programs added this year.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The Seventeenth Judicial District Court uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the Court is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The governmental funds reported an ending combined fund balance of \$496,130. This reflects a decrease of \$148,143 from last year. This decrease is primarily the result of the events and programs described within the analysis of the governmental activities. Following is some of the changes in major funds:

Most of the General Fund's revenue (\$1,879,660 or 90%) is generated from on-behalf payments for salaries and benefits from the State of Louisiana and the Parish of Lafourche.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013

Another significant source of revenues (\$149,865 or 7.2%) was from fees generated from criminal and civil cases. The general fund revenues include a \$50,000 transfer from the Parish Criminal Court Fund.. The major expenditures in the general fund were for salaries and benefits (\$2,004,814), office supplies (\$29,562), contract labor for security (\$47,984), equipment repair and maintenance (\$14,068) and capital outlay (\$7,501), transfers to Drug Court & Families in Need of Services (\$92,077). The beginning fund balance of \$502,219 decreased by \$195,978 to end the year with fund balance of \$306,421.

Another major fund was the Drug Treatment Court Fund. The majority of the revenue (\$497,273) was from the State of Louisiana in the form of a grant and in-kind matches (\$110,191) that coincide with the grant. \$18,961 was received from a federal grant through the Department of Justice. The Drug Court also collects fees from clients as deemed by the courts (\$86,955). The major expenditures of \$403,616 for salaries, \$158,000 in professional services and contract labor titled Treatment, and \$89,244 for lab testing and supplies were all in connection with the drug court program. The beginning fund balance of \$161,289 at the beginning of the year increased by \$23,339 to end the year with a fund balance of \$184,628.

Another major fund was the Families in Need of Service – Juvenile (FINS) Program. Half of the revenues (\$35,612) was from the State of Louisiana in the form of a grant and the other half (\$46,500) is in the form of intergovernmental revenues from various local entities such as the Lafourche Parish School Board, the City Court of Thibodaux and the Criminal Court Fund of Lafourche Parish Government. The major expenditures of \$82,991 for salaries, \$28,050 for in-home counseling, and \$10,151 for rent & utilities were all in connection with the FINS program. The beginning fund deficit of \$19,235 decreased by \$24,496 to end the year with a fund deficit of \$5,261, in part due to a transfer received from general fund of \$70,140 to cover the deficiency of revenues over expenditures and the prior year deficit fund balance.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013

CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2013 and 2012 was \$261,668 and \$337,105, respectively.

	2013	2012
Buildings and renovations	\$ 171,861	\$ 165,658
Equipment	566,729	566,521
Total Cost	738,590	732,179
Accumulated Depreciation	476,922	395,074
Net Capital Assets	<u>\$ 261,668</u>	<u>\$ 337,105</u>
Depreciation Expense	<u>\$ 41,976</u>	<u>\$ 37,657</u>

This year there was \$7,501 of additions and \$1,090 of disposals, reflecting the net increase in capital assets. More detailed information about the capital assets is presented in Note 4 to the financial statements.

LONG TERM LIABILITIES

Long term liabilities consist of accumulated unpaid vacation. The following is a summary of the changes in long-term liabilities for the year ended December 31, 2013:

Long term liabilities, December 31, 2012	\$ 63,566
Net increase in unpaid vacation	<u>29,078</u>
Long term liabilities, December 31, 2013	<u>\$ 92,644</u>

BUDGETS

The budgets were amended one time during the year. The primary reason for amending the budgets was to comply with state law. The major variances between the original General Fund budget and the final amended budget were as follows:

Revenues

- Intergovernmental revenues increased by \$50,000 to better reflect the grant from the Criminal Court Fund the District Court received. Service fees decreased by \$18,069 and interest income decreased by \$7.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013

Expenditures

- Personnel services increased by \$64,877, supplies and materials increased by \$259, and repair and maintenance increased by \$3,107.
- Other services and charges decreased by \$4,310 primarily for travel, and seminars & training.
- Capital Outlay increased by \$12,298 for unexpected purchases of equipment that were not anticipated.

Unfavorable Variance

- The actual total revenues compared to budgeted total revenues were less than budgeted by 1.75%. This unfavorable variance was due to budgeting more for the service fees received from the Sheriff and the Clerk or Court than was actually received.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Among the factors considered in compiling the 2014 budget were:

1. any changes in rates, fees, and grant funding for the next fiscal year
2. any new laws and regulations enacted that would apply to the upcoming year
3. any new revenue sources or expenditures not previously encountered.

Highlights of next year's adopted budget for the general fund (excluding on-behalf payments) include:

Beginning Fund Balance	\$	404,758
Projected Revenue		259,700
Projected Expenditures		(479,400)
Ending Fund Balance	\$	<u>185,058</u>

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Court's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Honorable Judge John E. LeBlanc, Chief Judge,
P.O. Box 231
Thibodaux, LA 70302
Phone: 985-447-3780

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Judges of the Seventeenth Judicial District Court
Lafourche Parish
Thibodaux, Louisiana

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Seventeenth Judicial District Court as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud, or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on

the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Seventeenth Judicial District Court as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information, as listed in the foregoing table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Seventeenth Judicial District Court's basic financial statements as a whole. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

This information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information, directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 18, 2014, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Seventeenth Judicial District Court's internal control over financial reporting and compliance.

Stagni & Company

Thibodaux, Louisiana
May 18, 2014



**SEVENTEENTH JUDICIAL DISTRICT COURT
LAFOURCHE PARISH**

Statement of Net Position - Governmental Activities
December 31, 2013

ASSETS

Cash and cash equivalents	\$ 464,123
Investments	56,744
Due from other governments	61,020
Prepaid expenses	9,069
Capital Assets, net of depreciation	261,668
TOTAL ASSETS	<u>852,624</u>

LIABILITIES

Accounts payable and accrued expenses	16,346
Due to other governments	69,411
Long term liabilities - compensated absences	92,644
TOTAL LIABILITIES	<u>178,401</u>

NET POSITION

Net invested in capital assets	261,668
Restricted for:	
Drug Treatment Court	184,628
Unrestricted	227,927
TOTAL NET POSITION	<u><u>\$ 674,223</u></u>

See Notes to Financial Statements.

**SEVENTEENTH JUDICIAL DISTRICT COURT
LAFOURCHE PARISH**

Statement of Activities - Governmental Activities
For the Year Ended December 31, 2013

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating Grants</u>	<u>Net (Expense) Revenue</u>
Judicial activities:	\$ 3,099,865	\$ 236,820	\$ 2,651,993	\$ (211,052)
Total governmental activities	<u>3,099,865</u>	<u>236,820</u>	<u>2,651,993</u>	<u>(211,052)</u>
GENERAL REVENUES				
Interest earned				<u>210</u>
TOTAL GENERAL REVENUES				210
CHANGE IN NET POSITION				(210,842)
NET POSITION:				
Beginning of year				<u>885,065</u>
End of year				<u><u>\$ 674,223</u></u>

See notes to financial statements.

**SEVENTEENTH JUDICIAL DISTRICT COURT
LAFOURCHE PARISH**

Balance Sheet - Governmental Funds
December 31, 2013

	General Fund	Drug Treatment Court	FINS Program Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 283,764	\$ 167,758	\$ 12,601	\$ 464,123
Investments	56,744	-	-	56,744
Due from other governmental units	9,404	51,616	-	61,020
Due from/(to) other funds	(21,937)	21,937	-	-
	<u>\$ 327,975</u>	<u>\$ 241,311</u>	<u>\$ 12,601</u>	<u>\$581,887</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable & accrued liabilities	\$ 8,615	\$ 6,927	\$ 804	\$ 16,346
Due to other governmental units	13,119	49,756	6,536	69,411
	<u>21,734</u>	<u>56,683</u>	<u>7,340</u>	<u>85,757</u>
Fund Balances:				
Committed:				
Drug Court	-	184,628	-	184,628
Assigned:				
Subsequent year's expenditures	219,700			219,700
FINS	-	-	5,261	5,261
Unassigned:				
General Fund	86,541	-	-	86,541
	<u>306,241</u>	<u>184,628</u>	<u>5,261</u>	<u>496,130</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 327,975</u>	<u>\$ 241,311</u>	<u>\$ 12,601</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Prepaid expenses (assets) consumed in governmental activities are not financial resources when reported as expenditures in the funds	9,069
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds - net book value:	261,668
Long term liabilities are not due and payable in the current period and therefore not reported in governmental funds:	
Compensated absences	<u>(92,644)</u>
Net assets of governmental activities	<u><u>\$ 674,223</u></u>

See notes to financial statements.

**SEVENTEENTH JUDICIAL DISTRICT COURT
LAFOURCHE PARISH**

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2013

	General Fund	Drug Treatment Court	FINS Program Fund	Total Governmental Funds
REVENUES				
Intergovernmental:				
State of Louisiana	\$ -	\$ 383,622	\$ 35,612	\$ 419,234
Federal - Dept of Justice	-	18,961	-	18,961
TANF		113,651	-	113,651
On-behalf payments received	1,879,660			1,879,660
Other local governments	50,000	123,987	46,500	220,487
Service fees:				
Sheriff's Office	126,645	-		126,645
Clerk of Court	23,220	-		23,220
Charges for services	-	86,955		86,955
Interest	210	-		210
TOTAL REVENUES	<u>2,079,735</u>	<u>727,176</u>	<u>82,112</u>	<u>2,889,023</u>
EXPENDITURES				
Current:				
General government - judicial				
Personnel Services:				
Salaries and related benefits	122,004	403,616	82,991	608,611
On-behalf payments	1,879,660	-	-	1,879,660
In-home counseling	-	-	28,050	28,050
Benefits paid for Drug Court Employees	3,150	-	-	3,150
Supplies and materials:				
Supplies	21,204	193	1,401	22,798
Lab testing and supplies	-	89,244	-	89,244
Books, dues, and subscriptions	4,382	-	-	4,382
Computer supplies	3,976	-	506	4,482
Other services and charges:				
Postage	695	-	276	971
Travel	18,479	-	1,214	19,693
Professional fees	9,250	158,000	-	167,250
Insurance	9,640	646	-	10,286
Insurance paid for FINS	1,458	-	-	1,458
Seminars and training	7,851	9,491	370	17,712
Rent	17,423	37,805	10,151	65,379
Utilities	-	14,245	1,367	15,612
Telephone	14,151	6,836	995	21,982
Contract labor	47,984	-	-	47,984
Miscellaneous	760	4,729	31	5,520
Maintenance and repair:				
Equipment	12,256	969	404	13,629
Building costs	1,812	-	-	1,812
Total current expenditures	<u>2,176,135</u>	<u>725,774</u>	<u>127,756</u>	<u>3,029,665</u>
Capital outlay	7,501	-	-	7,501
TOTAL EXPENDITURES	<u>2,183,636</u>	<u>725,774</u>	<u>127,756</u>	<u>3,037,166</u>
Excess (deficiency) of revenues over expenditures	(103,901)	1,402	(45,644)	(148,143)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(92,077)	21,937	70,140	-
Net Changes in fund Balances	<u>(195,978)</u>	<u>23,339</u>	<u>24,496</u>	<u>(148,143)</u>
FUND BALANCES				
Beginning	502,219	161,289	(19,235)	644,273
Ending	<u>\$ 306,241</u>	<u>\$ 184,628</u>	<u>\$ 5,261</u>	<u>\$ 496,130</u>

See notes to financial statements.

**SEVENTEENTH JUDICIAL DISTRICT COURT
LAFOURCHE PARISH, LOUISIANA**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2013

Net change in fund balances - total governmental funds (fund financial statements) \$ (148,143)

Amounts reported for *governmental activities* in the statement of activities
(government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund.
Governmental activities report depreciation expense to allocate the cost of those
capital assets over the estimated useful lives of the asset.

Capital asset purchases	\$ 7,501	
Loss on Disposal of Asset	-	
Depreciation expense	<u>(41,976)</u>	(34,475)

Prepaid expenses (assets) consumed in governmental activities
are not financial resources when reported as expenditures in the funds

Increase in Prepaids	854
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Some expenditures reported in the statement of activities do not
require the use of current financial resources and, therefore, are
not recorded as expenditures in governmental funds

Increase in compensated absences	(29,078)
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Change in net assets of governmental activities	<u><u>\$ (210,842)</u></u>
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SEVENTEENTH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2013

Introduction

The Seventeenth Judicial District Court (the Court) is as a level of the judicial branch of government and is charged with trying all cases that involve the government and with the administration of justice within its jurisdiction, which encompasses all of Lafourche Parish. The Seventeenth Judicial District is comprised of five (5) independently elected judges with 6 year-terms.

Note 1 *Summary of Significant Accounting Policies*

A. *Basis of Presentation*

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Court's financial statements consist of the government-wide statements on all activities and the governmental fund financial statements (individual major funds).

B. *Reporting Entity*

These financial statements present the Court as the primary government as defined by GASBS No. 14; component units are legally separate entities that are included in the reporting entity because of the significance of their operating or financial relationships. GASB has established several criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Seventeenth Judicial District is a part of the district court system of the State of Louisiana. The GASB has established several criteria for determining the governmental reporting entity and component units that should be included within the reporting entity.

Financial accountability is determined by applying criteria established by the GASB as listed below:

- Financial benefit or burden
- Appointment of a voting majority
- Imposition of will
- Fiscally dependent

SEVENTEENTH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 1 Summary of Significant Accounting Policies (Continued)

B. Reporting Entity (continued)

Since, the Court Judges are independently elected officials, and the district is legally separate and fiscally independent, they are considered a separate governmental reporting entity.

There are unrecorded financial transactions between the Lafourche Parish Council and the Court where the Council provides office space, courtrooms and utilities. These transactions between the Court and the Council are mandated by state statute and do not reflect fiscal dependency; thereby, they do not reflect financial accountability.

The financial statements of the Court include all funds and activities that are within the oversight responsibility.

C. Fund Accounting

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are grouped into two broad categories as follows:

Governmental Fund Types

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the Seventeenth Judicial District Court's major governmental funds:

The General Fund – The general fund is the general operating fund of the Court. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund is always a major fund.

SEVENTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

For the Year Ended December 31, 2013

Note 1 Summary of Significant Accounting Policies (Continued)

C. Fund Accounting (continued)

Drug Treatment Court Fund – This fund accounts for the operations of the Lafourche Parish Drug Treatment Court. Financing is provided by the Louisiana Supreme Court, including TANF grant funding, client fees and other grants.

FINS Program Fund – accounts for the operations of the Families in Need of Services – Juvenile Court. Financing is provided by various governmental agencies.

D. Measurement Focus / Basis of Accounting

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. The GWFS include statement of net position and the statement of activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Governmental activities generally are financed through fees, charges for services, intergovernmental revenues and other non-exchange revenues.

Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

SEVENTEENTH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 1 Summary of Significant Accounting Policies (Continued)

D. Measurement Focus / Basis of Accounting (continued)

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the FFS, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Court fines and fees, and interest are recorded when earned and measurable.

Expenditures – The major expenditures are recorded when earned and payable or when incurred. Allocation of cost such as depreciation is not recognized in the governmental funds.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

SEVENTEENTH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 1 Summary of Significant Accounting Policies (Continued)

F. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are capitalized at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of the asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings renovations	15-40 years
Furniture and equipment	5-10 years

H. Accumulated Vacation and Sick Leave

Employees earn and accumulate annual and sick leave at various rates, depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon retirement or termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. However, unused sick leave is not paid upon retirement or termination.

In the GWFS, the net change in accumulated annual leave liability is recorded as an expense and the total accumulated compensated absence is recorded as a long-term obligation. In accordance with GASB No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March 2000), no compensated absences liability is recorded at December 31, 2013 in the FFS.

SEVENTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

For the Year Ended December 31, 2013

Note 1 Summary of Significant Accounting Policies (Continued)

I. Operating Budgetary Data

As required by Louisiana Revised Statute 39:1303, the Judges adopted a budget for the General Fund and both Special Revenue Funds. The public hearings and advertisements were conducted. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by Judges.

The Court amended the budgets one time during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

A budget for the Drug Court Grant is submitted to the respective grantor for approval. Funding is from various federal, state and local governmental agencies and other local agencies.

The budgets are prepared on a modified accrual basis of accounting. The budget presented in the Budget Comparison Schedules show the original and final amended budgets for the year. On-behalf payments received and paid by the State of Louisiana and the Lafourche Parish Council totaling \$1,879,660 in the General Fund were not budgeted in revenues or expenditures for in the General Fund budget and is the only reconciling item from the actual on the budget statement to the actual for GAAP purposes

The funds that had actual expenditures that exceeded budgeted are as follows:

- The Drug Court Fund has actual expenditures (\$725,774) in excess of expenditures (\$685,288) of \$40,486

J. Interfund Transactions

Permanent reallocation of resources between funds is classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

SEVENTEENTH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 1 Summary of Significant Accounting Policies (Continued)

K. Fund Equity

Government-wide Financial Statements

Equity is classified as net position and displayed in the three components:

- a. Net invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt
- b. Restricted – consists of net position with constraints placed on use either by (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- c. Unrestricted – All other net position that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Court’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

SEVENTEENTH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 1 *Summary of Significant Accounting Policies (Continued)*

K. Fund Equity (continued)

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action. The assigned fund balance classification is intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. The assigned portion of the general fund equity is for subsequent years' expenditures which are amounts in the next year's budget that represents deficiencies of revenues over expenditures.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 *Deposits and Investments*

Deposits:

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits.

SEVENTEENTH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 2 Deposits and Investments (Continued)

Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value.

At December 31, 2013, the balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	\$516,240	\$464,123

The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial credit risk is the risk that in an event of a bank failure, deposits may not be returned. The District has a written policy for custodial credit risk. Of the total bank balance, \$207,416 was exposed to custodial credit risk. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

The market values of the pledged securities plus the federal deposit insurance (FDIC) must at all time equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2013, cash and certificates of deposit in excess of the FDIC insurance were adequately collateralized by securities held by unaffiliated banks for the accounts of the District (\$576,689). The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in the Court's name.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 40, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

SEVENTEENTH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 2 Deposits and Investments (Continued)

Investments:

State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP). As a means of limiting its exposure to fair value losses arising from interest rates, the investment policy limits investments to securities with less than six months from the date of the purchase unless the investment is matched to specific cash flow.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns.* The District's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAm.

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments to collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

SEVENTEENTH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 2 Deposits and Investments (Continued)

Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Investments in LAMP at December 31, 2013 amounted to \$56,744 and are classified on the Statement of Net Position and Balance Sheet as "Investments".

A summary of deposits and investments as shown on the Statement of Net Position is as follows:

Reported amount of deposits	\$464,023
Reported amount of investments	56,744
Petty Cash	100
Total	\$520,867
Cash	\$464,123
Investments	56,744
	\$520,867

Note 3 Due from Other Governmental Units

Amounts due from other governmental units consisted of the following:

	General	Drug Court	Totals
LA Supreme Court		\$51,616	\$51,616
Lafourche Parish:			
Clerk of Court	\$1,435		1,435
Sheriff	7,969		7,969
TOTALS	\$9,404	\$51,606	\$61,020

SEVENTEENTH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 4 Capital Assets

Capital assets and depreciation activity is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Building renovations	\$165,658	\$ 6,203		\$171,861
Equipment:	566,521	1,298	(\$1,090)	566,729
Total Cost	\$732,179	\$ 7,501	(\$1,090)	\$ 738,590
Less accumulated depreciation for:				
Building renovations	\$40,962	\$4,451		\$45,413
Equipment	395,074	37,525	(1,090)	431,509
Total accumulated depreciation	\$436,036	\$41,976	(\$1,090)	476,922
Total capital assets, net	\$296,143			\$261,668

Depreciation expense for the year recorded for governmental activities was \$41,976.

Note 5 Long-Term Liabilities

Long term liabilities consist of accumulated unpaid vacation. The following is a summary of the changes in long-term obligations:

Long term liabilities beginning of year	\$ 63,566
Net increase in unpaid vacation	<u>29,078</u>
Long term liabilities end of year	<u>\$ 92,644</u>

Note 6 Risk Management

The Court is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors and omissions; and injuries to the public; and natural disasters. To protect against these risks, the Court has purchased commercial or other insurance for the losses to which it is exposed. No settlements were made during the year that exceeded insurance coverage.

SEVENTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

For the Year Ended December 31, 2013

Note 7 On-Behalf Payments

GASB Statement 24 Accounting and Financial Reporting for Certain Grants and Other Financial Assistance requires that on-behalf payments for salaries and fringe benefits be recognized as revenue and expenditures in the employer government's financial statements. On-behalf payments for salaries and fringe benefits are direct payments made by one entity (the paying entity or paying government) to a third-party recipient for the employee of another, legally separate entity (the employer entity or employer government). The amount recognized as intergovernmental revenue and personal services expenditures as on-behalf payments amount to \$1,879,660. Included in the on-behalf payments are contributions to pension plans. Employees belong to the Louisiana State Employees' Retirement System Pension Plan and the Lafourche Parish Council contributes to this pension plan on behalf of the Court. The Judges belong to the Louisiana State Employees' Retirement System Pension Plan and the State of Louisiana contributes to this pension plan on behalf of the Court.

Note 8 Operating Leases

The Court has entered into two leases, one for six copy machines for office operations and another for a lease for the rent of building space for the FINS program. The monthly minimum lease payments are \$2,817.

Note 9 Subsequent Events

The Court has evaluated subsequent events through May 18, 2014 the date which the financial statements were available to be issued, and determined that there were no events required to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION

**SEVENTEENTH JUDICIAL DISTRICT COURT
LAFOURCHE PARISH, LOUISIANA**

Budget Comparison Schedule - General Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental:				
Lafourche Parish Government Criminal Court	\$ -	\$ 50,000	\$ 50,000	\$ -
Service fees:				
Sheriff's Office	148,000	130,427	126,645	(3,782)
Clerk of Court	23,500	23,004	23,220	216
Interest	225	218	210	(8)
TOTAL REVENUES	<u>171,725</u>	<u>203,649</u>	<u>200,075</u>	<u>(3,574)</u>
EXPENDITURES				
General government - judicial				
Current:				
Personnel Services				
Salaries and related benefits	70,484	135,361	122,004	13,357
Benefits paid for Drug Court Employees	-	-	3,150	(3,150)
Supplies and materials				
Supplies	16,000	14,871	21,204	(6,333)
Books, dues, and subscriptions	7,200	5,246	4,382	864
Computer supplies	1,000	4,342	3,976	366
Other services and charges				
Postage	1,000	222	695	(473)
Travel	21,500	14,704	18,479	(3,775)
Professional fees	10,500	10,182	9,250	932
Insurance	8,500	8,652	9,640	(988)
Insurance paid for FINS	-	-	1,458	(1,458)
Seminars and training	11,000	8,971	7,851	1,120
Rent	16,500	17,112	17,423	(311)
Telephone	13,500	14,470	14,151	319
Contract labor -Security Service	44,475	48,416	47,984	432
Miscellaneous	1,200	2,236	760	1,476
Court cost	1,100	-	-	-
Maintenance and repair				
Equipment	15,000	13,189	12,256	933
Building costs	2,500	7,444	1,812	5,632
Other	2,200	2,174	-	2,174
Total current expenditures	<u>243,659</u>	<u>307,592</u>	<u>296,475</u>	<u>11,117</u>
Capital outlay	<u>10,000</u>	<u>22,298</u>	<u>7,501</u>	<u>14,797</u>
TOTAL EXPENDITURES	<u>253,659</u>	<u>329,890</u>	<u>303,976</u>	<u>25,914</u>
Revenue over (under) expenditures	<u>(81,934)</u>	<u>(126,241)</u>	<u>(103,901)</u>	<u>22,340</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>(75,700)</u>	<u>(106,565)</u>	<u>(92,077)</u>	<u>14,488</u>
Net Changes in fund Balances	<u>(157,634)</u>	<u>(232,806)</u>	<u>(195,978)</u>	<u>36,828</u>
FUND BALANCES				
Beginning	540,989	637,563	502,219	(135,344)
Ending	<u>\$ 383,355</u>	<u>\$ 404,757</u>	<u>\$ 306,241</u>	<u>\$ (98,516)</u>

**SEVENTEENTH JUDICIAL DISTRICT COURT
LAFOURCHE PARISH, LOUISIANA**

Budget Comparison Schedule - Drug Treatment Court
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental:				
State of Louisiana - Supreme Court	\$ 356,380	\$ 379,039	\$ 383,622	\$ 4,583
State of LA - Supreme Court - TANF	120,000	108,364	113,651	5,287
Federal Dept of Justice	-	22,213	18,961	(3,252)
Lafourche Parish Sheriff's Office	31,823	5,412	13,796	8,384
Other local governments	-	-	110,191	110,191
Service fees:				
Client fees	114,163	88,722	86,955	(1,767)
TOTAL REVENUES	<u>622,366</u>	<u>603,750</u>	<u>727,176</u>	<u>123,426</u>
EXPENDITURES				
General government - judicial				
Current:				
Personnel Services				
Salaries and related benefits	175,239	213,189	403,616	(190,427)
Treatment	328,006	327,271	158,000	169,271
Lab testing & Supplies	85,213	82,645	89,244	(6,599)
Lab personnel	-	9,024	-	9,024
Office expenses	36,840	22,852	193	22,659
Travel and training	43,502	16,490	9,491	6,999
Other services	21,524	13,817	26,456	(12,639)
Rent - Equipment & Office	-	-	37,805	(37,805)
Equipment - R & M	-	-	969	(969)
TOTAL EXPENDITURES	<u>690,324</u>	<u>685,288</u>	<u>725,774</u>	<u>(40,486)</u>
Revenue over (under) expenditures	(67,958)	(81,538)	1,402	163,912
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	34,500	20,779	21,937	1,158
Net Changes in fund Balances	<u>(33,458)</u>	<u>(60,759)</u>	<u>23,339</u>	<u>84,098</u>
FUND BALANCES				
Beginning	94,538	67,071	161,289	94,218
Ending	<u>\$ 61,080</u>	<u>\$ 6,312</u>	<u>\$ 184,628</u>	<u>\$ 178,316</u>

SEVENTEENTH JUDICIAL DISTRICT COURT
LAFOURCHE PARISH, LOUISIANA

Budget Comparison Schedule - FINS Program Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental:				
Louisiana Supreme Court	\$ 34,650	\$ 34,650	\$ 35,612	\$ 962
Lafourche Parish School Board	22,500	22,500	22,500	-
City of Thibodaux	12,000	12,000	12,000	-
Lafourche Parish Criminal Court Fund	12,000	12,000	12,000	-
TOTAL REVENUES	81,150	81,150	82,112	962.00
EXPENDITURES				
General government - judicial				
Current:				
Personnel Services				
Salaries and related benefits	78,710	78,604	82,991	(4,387)
In-home counseling	33,000	27,720	28,050	(330)
Supplies and materials				
Supplies	800	1,380	1,401	(21)
Computer supplies	650	371	506	(135)
Other services and charges				
Postage	270	331	276	55
Travel	900	546	1,214	(668)
Utilities	1,600	1,618	1,367	251
Seminars and training	1,100	1,205	370	835
Rent	9,800	8,700	8,700	-
Equipment rental	-	1,434	1,451	(17)
Telephone	1,000	-	995	(995)
Miscellaneous	700	835	31	804
Maintenance and repair	500	-	404	(404)
DSL		9,950	-	9,950
TOTAL EXPENDITURES	129,030	132,694	127,756	4,938
Revenue over (under) expenditures	(47,880)	(51,544)	(45,644)	5,900
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	41,200	41,200	70,140	28,940
Net Changes in fund Balances	(6,680)	(10,344)	24,496	34,840
FUND BALANCES				
Beginning	(13,057)	(19,234)	(19,235)	(1)
Ending	<u>\$ (19,737)</u>	<u>\$ (29,578)</u>	<u>\$ 5,261</u>	<u>\$ 34,839</u>

***REPORTS REQUIRED BY
GOVERNMENT AUDITING
STANDARDS***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Judges of the Seventeenth Judicial District
Lafourche Parish
Thibodaux, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the governmental activities and each major fund of the Seventeenth Judicial District Court for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Seventeenth Judicial District Court's basic financial statements, and have issued our report thereon dated May 18, 2014.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Seventeenth Judicial District Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that were not identified.

Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (2008-1).

Compliance

As part of obtaining reasonable assurance about whether the Seventeenth Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Seventeenth Judicial District Court's Response to Findings

The Seventeenth Judicial District Court's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Seventeenth Judicial District Court's response was not subjected to the auditing procedures applied in the audits of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
May 18, 2014



SEVENTEENTH JUDICIAL DISTRICT COURT
LAFOURCHE PARISH
Thibodaux, Louisiana
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013

We have audited the basic financial statements of the governmental activities and each major fund of the Seventeenth Judicial District Court as of and for the year ended December 31, 2013, and the related notes to the financial statements and have issued our report thereon dated May 18, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit of the financial statements resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses	No
Significant Deficiencies	YES

Compliance

Compliance Material to Financial Statements	No
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b. Federal Awards Not applicable

Internal Control

Material Weaknesses	<input type="checkbox"/> Yes <input type="checkbox"/> No	Reportable Conditions	<input type="checkbox"/> Yes <input type="checkbox"/> No
Type of Opinion On Compliance	Unqualified <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Qualified	<input type="checkbox"/>
For Major Programs	Disclaimer <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Adverse	<input type="checkbox"/>

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

c. Identification of Major Programs: Not applicable

CFDA Number (s)	Name of Federal Program (or Cluster)
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Dollar threshold used to distinguish between Type A and Type B Programs: \$____
Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133



SEVENTEENTH JUDICIAL DISTRICT COURT
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013
Page 2 of 2

Section II Financial Statement Findings

Internal Control

2008-1 CONSOLIDATED FINANCIAL REPORTING

Criteria: Effective internal controls requires that an entity have staffing with the technical expertise, knowledge and available time to prepare or oversee the preparation of consolidated financial statements and all disclosures in accordance with generally accepted accounting principles as part of its control process.

Condition: Management has elected to utilize multiple accountants to perform bookkeeping services for its various funds. Therefore, it has no single entity currently assembling or overseeing its consolidated financial statements and necessary disclosures in accordance with generally accepted accounting principles.

Effect: Seventeenth Judicial District Court has a recognized deficiency in internal control.

Cause: Seventeenth Judicial District Court has not determined a need for a single entity to be utilized for assembly of the consolidated financial statements and necessary disclosures.

Recommendation: We recommend that the Seventeenth Judicial District management consider the need for utilization of an entity to prepare or oversee the preparation of the consolidated financial statements and necessary disclosures.

Questioned Costs: NONE

Context: Systematic

Section III Federal Award Findings - NONE



OTHER SUPPLEMENTAL INFORMATION

PRIOR AUDIT FINDINGS

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings.

CORRECTIVE ACTION PLAN

The corrective action plan for current year audit findings is presented in this schedule.

**SEVENTEENTH JUDICIAL DISTRICT COURT
LAFOURCHE PARISH
THIBODAUX, LOUISIANA**

Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2013

REFERENCE #	CORRECTIVE ACTION	
SECTION I -	INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
2008-1	Management of the Seventeenth Judicial District Court has elected to utilize multiple accountants to perform bookkeeping services for its various funds. Therefore, it has no single entity currently assembling or overseeing its consolidated financial statements and necessary disclosures in accordance with generally accepted accounting standards	Unresolved
SECTION II -	INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
	NOT APPLICABLE	
SECTION III -	MANAGEMENT LETTER	
	NONE ISSUED	

NOTES TO SCHEDULE:

This summary schedule includes all prior audit findings and management letter findings.

In the reference number, the first 4 digits are the year that the audit finding related to.

SEVENTEENTH JUDICIAL DISTRICT COURT
LAFOURCHE PARISH
CURRENT YEAR FINDINGS, RECOMMENDATIONS
AND CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2013

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS:

Internal Control

Reference #: **2008-1**

Consolidated Financial Reporting

Description of Finding:

Management of the Seventeenth Judicial District Court has elected to utilize multiple accountants to perform bookkeeping services for its various funds. Therefore, it has no single entity currently assembling or overseeing its consolidated financial statements and necessary disclosures in accordance with generally accepted accounting principles.

Recommendation:

We recommend that management consider the need for utilization of an entity to prepare or oversee the preparation of the consolidated financial statements and necessary disclosures.

Corrective Action Planned:

Management does not consider the benefit of this recommended improvement to outweigh the cost of implementation.

Name of Contact Person: Judge John E. LeBlanc

Anticipated Completion Date:

Compliance

No compliance findings material to the financial statements were noted during the year ended December 31, 2013.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS
NO FINDINGS TO REPORT

SECTION III – MANAGEMENT LETTER COMMENTS:
NO FINDINGS TO REPORT

